BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Infoline

Contact: bcstats.infoline@gems6.gov.bc.ca Issue: 03-48 November 28, 2003

- **Labour income rises 0.6% in the third quarter**
- **Retail sales weak in September, but sales by wholesalers bounce back**
- **Mad cow crisis hammers farmers in BC and other provinces**

The Economy

- **Wages, salaries and benefits of workers in the province increased 0.6% (seasonally adjusted) in the third quarter, after declining (-0.2%) earlier in the year.** Labour income rose 0.7% nationally, as earnings and benefits increased in every part of the country. Alberta (+1.5%), Manitoba (+1.1%) and Nova Scotia (+1.1%) posted the strongest growth.

  Data Source: Statistics Canada

- **Sales by retailers in the province declined 2.2% (seasonally adjusted) in September.** The drop in the value of sales followed relatively strong growth in the previous month (+1.6%), but reflected widespread weakness within the retail sector. Supermarkets, grocery and drug stores, and retailers of furniture & appliances and semi-durables were the only businesses that posted gains. Retailers across the country had a slow September. Nationally, the value of retail sales fell 0.8%, with sales shrinking in every province except Ontario (+0.2%), where retailers saw some improvement after sales stalled in August, when a power outage shut down economic activity in many parts of the province.

  Data Source: Statistics Canada

- **During the third quarter, retail sales in BC bounced back (+1.3%, seasonally adjusted), after slipping in the spring (-1.0%).** Drug stores (+3.5%) and retailers of consumer durables such as furniture & appliances (+3.4%) and automotive products (+3.1%) made solid gains. However sales at food stores were off (-0.8%), even though prices for food and beverage products have been climbing (year-over-year) in recent months. Business at clothing stores dropped 4.0%, but general merchandisers posted a solid 1.2% increase. *Data Source: Statistics Canada & BC Stats*

- **Wholesale sales in the province advanced 3.2% (seasonally adjusted) in September boosted by strong gains virtually across the board.** Wholesalers of farm machinery and equipment bounced back from a slump in August, while demand for lumber and building products in the province remained robust. However, spending on other building-related supplies, such as metals, hardware and plumbing & heating products remained weak, and wholesale purchases of computers and electronic products were sluggish in September.

  Nationally, wholesale sales rose 6.1% in September, as sales increased in every province. Ontario bounced back (+8.7%) from August's decline (-7.5%), and sales in Quebec were up 4.8%. Increases in the rest of the country ranged from less than one percent in both PEI and Nova Scotia, to 5.0% in Saskatchewan.

  Data Source: Statistics Canada & BC Stats

- **Wholesale sales in the province increased 0.8% (seasonally adjusted) in the third quarter, largely due to solid gains by wholesalers of lumber and building materials.** Canadian sales edged down 0.2% over the summer months, dragged down by weakness in Ontario (-1.3%) and two of the three Prairie provinces.

  Data Source: Statistics Canada & BC Stats

- **The number of British Columbians receiving regular employment insurance (EI) benefits dipped 1.0% (seasonally adjusted) in September.** The drop in EI beneficiaries followed a national trend. Across the country, there were 1.2% fewer beneficiaries, with all but three provinces posting declines. *Data Source: Statistics Canada*

Agriculture

- **Cash receipts from farming operations in the province declined (-7.1%, year-over-year) for**

Report Is the grass really greener on the other side of the Rockies?

Did you know...
53% of BC workers pull pranks to relieve workplace boredom.

the fourth time in a row in the third quarter. The drop in farm receipts reflected lower revenues from both crop (-0.7%) and livestock (-14.9%) sales. The effect of the mad cow situation was felt in BC, where cattle sales plunged (-85.9%) for the sixth time in the last two years. Third quarter cattle receipts totalled $7.3 million, down from $51.5 million a year earlier.

BC producers of tree fruits other than apples (-3.4%), berries & grapes (-5.0%, excluding strawberries) and turkeys (-5.0%) all saw revenues dip in the third quarter. However, strawberry sales were up 10.4%. Sunny conditions during the peak strawberry-growing season may have contributed to higher returns.

Data Source: Statistics Canada

- **Canadian farm cash receipts were off 11.1% in the third quarter, as the agriculture sector took a hammering following the discovery of a single case of mad cow disease on an Alberta farm.** Overall, livestock sales were down 26.4%. Alberta, where total cash receipts plummeted 36.9%, bore the brunt of the downturn, but farmers in Saskatchewan (-14.0%) and Manitoba (-9.1%) also saw their earnings plunge following a US ban on imports of live cattle from Canada in May. Other countries also closed their borders to Canadian beef. However, the effect of the ban was not as pronounced in the rest of the country. Ontario cash receipts were unchanged in the third quarter, while all other provinces posted healthy gains in cash receipts. *Data Source: Statistics Canada*

- **The net cash income (total cash receipts less operating expenses) of BC farmers fell 21.4% in 2002, dropping to $356 million.** Farm cash income fell in every province except Alberta (+8.1%) and PEI (+24.4%). Nationally, the net cash income of farmers tumbled 11.0% to $7.2 billion, after setting a record high in 2001.

  Prairie farmers experienced one of the worst growing seasons in a quarter-century, with farmers in some parts of Alberta and Saskatchewan facing growing conditions that were worse than those in the Dirty Thirties. In Alberta, net income increased largely because farmers in that province ran down their inventories. Including depreciation and inventory changes, farmers in Alberta (-$1.1 billion), Saskatchewan (-$637 million) and Manitoba (-$21 million) all posted net losses. The effects of the mad cow situation on an industry that is still reeling from the effects of drought in the recent past will likely be severe. *Data Source: Statistics Canada*

Tourism

- **Restaurant, caterer and tavern receipts in the province rose (+1.0%, seasonally adjusted) for the third straight month in September.** BC's increase was more than double the national average (+0.4%). Earnings at BC food service establishments were up 1.1%, while receipts at drinking places advanced a modest 0.2%.

  Data Source: Statistics Canada & BC Stats

The Nation

- **Canada's economy edged up (+0.3%, seasonally adjusted and in constant 1997 dollars) in the third quarter, after dipping (-0.2%) in the previous quarter.** Strong domestic demand for goods and services continued to boost overall economic performance. Consumer spending rose 1.2%, while investment in fixed capital was 3.0% higher than in the second quarter. Government spending on goods and services advanced modestly (+0.3%). However, exports of goods and services (-0.2%) posted a fourth consecutive decline. An even larger drop (-0.5%) in the value of imports helped offset the decline, easing the dampening effect that the external sector has had on the economy.

  Corporation profits recovered from a second-quarter slide (-10.2%) to rise 4.9% in the third quarter. Unincorporated businesses posted solid gains (+1.4%), double the rate of increase in the second quarter

  Canada's economic performance in the third quarter fell far short of the revised growth estimate (+8.2%, annualized) for the US economy. However, there are signs that the Canadian economy is beginning to pick up speed. The composite leading indicator continued to strengthen for a fifth consecutive month, with a 0.6% increase in October. *Data Source: Statistics Canada*

Infoline Issue: 03-48
November 28, 2003

BC STATS, Box Stn Prov Govt, Victoria. BC V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: bcstats.infoline@gems6.gov.bc.ca

Infoline Report

Issue: 03-48
November 28, 2003

Contact: Lillian Hallin, (250) 387-0336
Originally published in *Business Indicators*, Issue 03-10. Annual subscription $60 + GST

Is the Grass Really Greener on the Other Side of the Rockies?

For years, British Columbia was viewed as a star performer in the Canadian economy. As one of only three "have" provinces, BC drew large numbers of Canadians seeking to improve their fortunes by relocating to areas that offered more economic opportunities. The province also attracted many immigrants from outside the country. The migrants, by stimulating the demand for goods and services and expanding the pool of available skilled workers, helped boost the economy during the early part of the 1990s.

Toward the end of the last decade, however, the net inflow of Canadians to BC was first slowed and then reversed. The province is now losing more people than it gains as a result of interprovincial migration. Alberta, once a prime source of population growth in BC, is drawing people from this province who are looking for greener pastures on the other side of the Rockies.

A note about GDP measures

There are different ways to measure the size of the economy. The most commonly used one is real (adjusted for inflation) gross domestic product (GDP) at market prices. This measures the total value added to the economy as a result of consumer, business and government expenditures, plus those of the non-resident sector (net exports). GDP at market prices includes the value of indirect (e.g. sales) taxes net of subsidies on products.

When assessing the size of the economy from an industry perspective, GDP at basic prices is the preferred measure, since it excludes the effects of taxes levied on products, but includes subsidies, which have an effect on an industry's behaviour and ultimately, its output.

So why is Alberta such a desirable destination? More importantly, why has the Alberta economy, with its dependency on the cyclical oil and gas sector, consistently performed so well when compared to the other provinces, and especially when compared to BC? There are no definitive answers to that question, but some clues can be found by comparing trends in the two economies over time. An examination of the sources of growth in the two provinces shows that there are some structural differences between the two provinces that may help explain their divergent experiences during the last decade.

Three million Albertans generate as much value added as British Columbia's four million residents

Is the grass really greener on the other side of the Rockies, or is Alberta's relative economic advantage an overblown myth?

Looking at the economic data from a number of different perspectives, it appears that Alberta's economic advantage is, in fact, real. In terms of its population, Alberta is the fourth-largest province in the country, with just over three

million residents, one million less than in BC. However, those three million people account for just as big a share of Canada's total GDP as BC's four million inhabitants do. By some measures, Alberta's economy has surpassed British Columbia's and is becoming entrenched as the third largest in the country, after Ontario and Quebec[1].

BC's economy has grown, just not as fast as Alberta's

The change in BC's position relative to Alberta's, and to the rest of the country, is not the result of economic decline in BC. The province's economy has continued to grow, albeit at a slower pace than in the rest of Canada. However, Alberta's economy has consistently outperformed British Columbia's for more than a decade. Since 1991, BC has never ranked first among the provinces in terms of economic growth, has ranked second just once, and third, also once. Over the same period, Alberta's economy has been the fastest-growing in the country three times, and the second-fastest, four times. It has had a top-three ranking more often (seven times) than any other province in Canada during this period. Over the longer run, the "Alberta advantage" is not quite as great, but still exists.

Other economic statistics support this observation. Alberta's unemployment rate is consistently one of the lowest in the country, while British Columbia usually has the highest jobless rate west of Quebec. Labour productivity in BC has increased at below-average rates, while Alberta has seen stronger-than average increases (similar to those in Ontario, but less than in Newfoundland and Labrador, where productivity has risen nearly fifty percent since 1990).

Labour productivity gains in BC have not been as strong as in the rest of the country

The data clearly shows that BC's economy is growing, that productivity is improving, and that the economic fundamentals are generally on an upward trend. However, the province can no longer be viewed as one of the "star performers" in Confederation. BC's generally weaker economic situation is underscored by the fact that the province has recently slipped into the ranks of the "have-not" provinces and now receives equalization payments from the federal government.

Why has BC lost ground compared to Alberta?

British Columbia's economy has faced (and continues to face) some challenges during the last decade or so. These are related to the province's dependence on forest products and other resource-based commodities as a source of ex-

[1] Using GDP at market prices as a basis for comparison, Alberta's economy has just caught up with BC's. However, the story is a little different when the industry-based GDP at basic prices figure is used. Alberta does not have a sales tax, so takes in less in indirect taxes as a result of spending by consumers and businesses. When GDP at basic prices is used to make comparisons, it becomes clear that Alberta surpassed the BC economy in terms of sheer size some time ago. Moreover, the size of the gap is growing.

BC and Alberta together account for a bigger share of Canadian GDP than the province of Quebec.

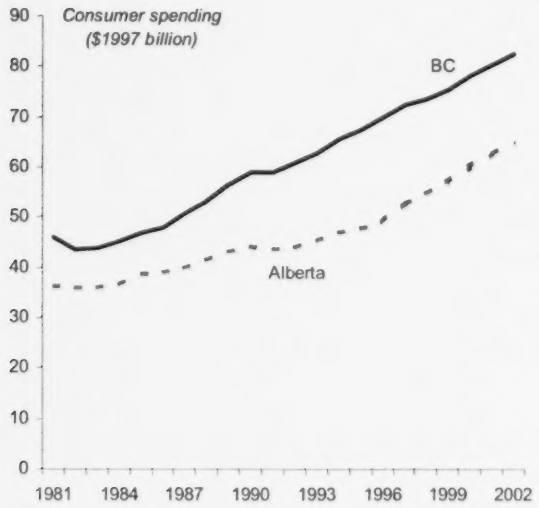
port earnings. Although it is tempting to suggest that these factors can explain BC's slower growth during the 1990s, the data suggests that the answer is not quite so simple.

Alberta, a province which relies much more heavily on a highly volatile resource sector as its main source of economic growth, has posted solid gains throughout the 1990s. In the remainder of this paper, we probe some of the underlying factors that have contributed to BC's slower growth over the longer run.

BC's recent economic growth has been largely consumer-driven, while the expansion in Alberta has originated in the business sector

One key difference between the two provinces is in the underlying sources of economic growth. British Columbia's economic growth during the 1990s was consumer driven; in Alberta, business investment provided much of the impetus for economic growth.

Consumer spending on goods and services has increased in both provinces...



...but businesses invest more in Alberta than in BC, and have done so since the mid-1990s

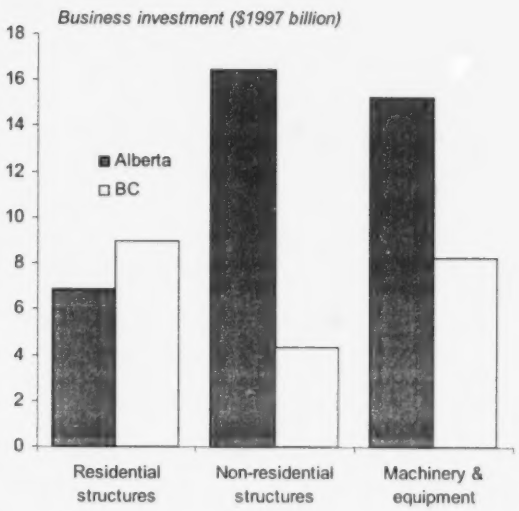
Consumer spending on goods and services in BC has advanced in tandem with a burgeoning population. This spending has provided much of the impetus for growth in the province's economy. Consumer spending has increased in Alberta as well; in fact, on a per capita basis, it has risen even more than in BC[2], but it has not been a primary reason for economic growth in that province.

Business investment in Alberta has been an engine of economic growth. In contrast, industries in this province have taken a more cautious approach to spending, which has limited overall growth in the economy. Total business investment in BC rose only modestly during the 1990s. Spending on non-residential construction was flat, and investment in housing declined throughout most of the 1990s, but has since bounced back. Business spending on machinery and equipment grew, but not substantially.

[2] Per capita spending on goods and services by consumers in Alberta has been higher than in BC since the mid-1990s.

The story in Alberta was quite different. Spending by businesses soared, surpassing the total for BC in the mid-1990s, and ratcheting up since then. The underlying reasons for the increase were quite different than in BC. Housing investment advanced, but remains substantially lower than spending on plant and equipment. Investment in non-residential structures shot up during the 1990s, as businesses poured money into new infrastructure. Alberta businesses have always invested more in non-residential structures than their BC counterparts, but the size of the gap widened substantially during the 1990s. Last year, businesses in Alberta spent four times as much on non-residential structures as they did in BC. In 1991, the ratio was less than two to one.

Business spending in Alberta is primarily geared toward non-residential structures and machinery & equipment, rather than housing



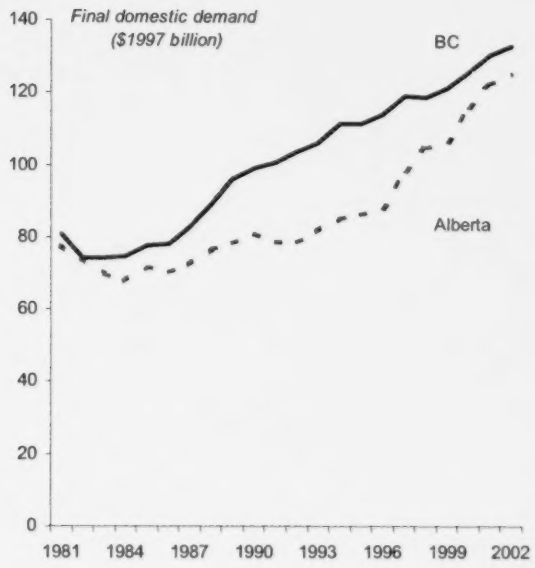
Since the mid-1990s, purchases of machinery and equipment in Alberta have far surpassed investment levels in British Columbia. Spending on machinery and equipment, infrastructure and residential structures have all more than doubled since the early 1990s.

In British Columbia, spending on housing and machinery and equipment dominates business investment, while businesses in Alberta tend to put more money into infrastructure construction. This creates more local employment and provides more of a stimulus to the local economy first, because it boosts total spending and raises the demand for goods and services used in construction of fixed capital and second, because the additions to the infrastructure of the province expand its industrial capacity. Spending on machinery and equipment, much of which is imported, has less of an immediate impact on the local economy but adds to the province's total capacity. Housing construction helps boost output initially, but is less likely than the other types of investment to provide a long-term stimulus to the economy.

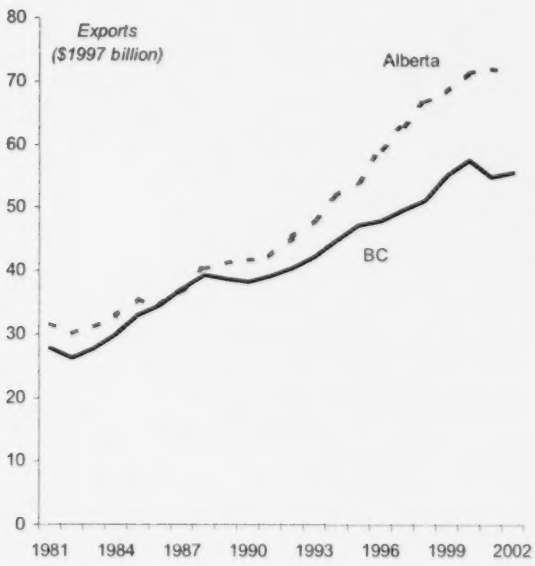
BC's economy is more service-oriented than Alberta's. Service industries typically make less use of costly capital equipment and infrastructure.

One reason for the different patterns of investment in the two provinces is the structure of the BC economy, in which services play a much greater role than is the case in Alberta. Service industries tend to require less capital inputs than many goods-producing industries, which rely heavily on capital equipment to generate their output. Even in the goods sector, the capital investment required by resource-based industries is quite different than for other industries. The extraction of oil and gas from underground, or from alternative sources such as the Athabaska oil sands, requires extensive investment in capital equipment. Further processing of petroleum products into petrochemicals, plastics and other goods also involves the use of infrastructure and equipment that is highly specialized. Transforming logs into lumber, pulp or paper may be a complex process, but is not as capital intensive.

Domestic demand for goods and services in Alberta is fast catching up to BC levels



While BC has seen strong export growth, the increase in Alberta has been even greater



Domestic and external demand for goods and services has grown faster in Alberta than in BC

Domestic demand for goods and services is still greater in BC than in Alberta, but only because consumer and government spending[3] in this province remains higher than in Alberta. However, many of the goods purchased by consumers and government are imported, so the economic benefit from producing them accrues to other regions. Both Alberta and British Columbia are in a position of having to import many of the manufactured goods used in production or purchased as final products by consumers.

Export markets for Alberta products have increased more rapidly than those for BC goods and services. Imports have also posted stronger growth in Alberta, but not enough to offset the boost to the Alberta economy provided by external demand for goods and services produced in that province.

Services tend to grow more slowly, but more steadily, than goods industries

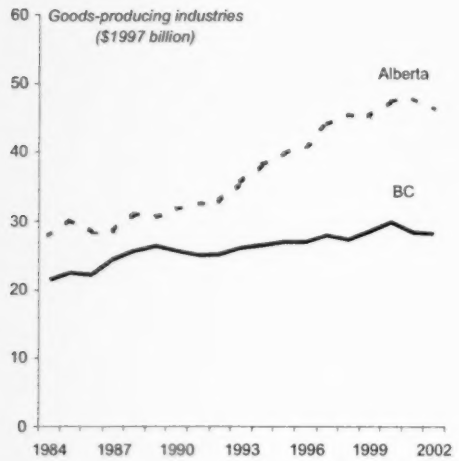
Although natural resource extraction and processing has played a big role in the development of both economies, there are substantial differences between the two regions. BC's economy is the most service-oriented in the country, while Alberta has the greatest reliance on goods production of any province. Last year, 24% of BC's total GDP, and 39% of Alberta's, originated in the goods sector.

BC's strong service-sector orientation is partly a reflection of the role that consumer spending has played in the province's economic growth, but also reflects other factors, including the province's location on Canada's west coast. For example, transportation and other services are

[3] Government transfer payments (e.g., social assistance) are not included in GDP since they do not represent a payment for current productive services. GDP only includes (current) economic activities that are market-based.

provided to Canadian exporters seeking to ship their goods abroad and to importers bringing foreign-made products into the country.

Alberta's goods industries have seen rapid growth; in BC, the sector has posted only modest increases during the last decade



Service industries typically exhibit slower, but more steady growth over time than do the goods industries. They have helped boost BC's economy and have carried it through periods when the major goods-producing industries have been struggling.

In Alberta, the opposite has been true. The energy sector has helped stimulate economic growth, and boosted overall performance, while the service sector has continued to show steady growth. It should be noted that energy products have provided a boost to both economies; however, BC's oil and gas sector is still relatively small compared to other industries, so the effect has not been as great in BC.

In both provinces, a single resource commodity dominates goods production...

In both provinces, the goods sector can be characterized by its dependence on resource-based activities: forestry, mining, agriculture, fishing (in BC), and related processing activities. But beyond that similarity, the path of economic development in the two provinces has been quite different.

Primary forestry, mining, agriculture and fishing activities generate about 6% of British Columbia's total GDP. Manufacturing activities, which remain largely geared toward the processing of raw materials into semi-finished form, produce nearly 11% of the economy's total value added.

Wood and paper products together account for 45% of total GDP in BC's manufacturing sector. Another 13% originates in food, beverage and fish processing, while mining-related activities contribute a similar amount to BC's manufacturing GDP.

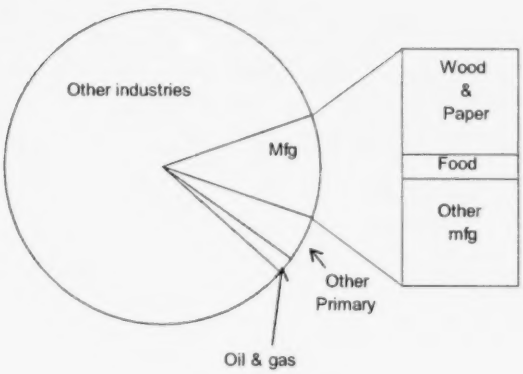
Alberta's manufacturing industries have made solid gains

Only four[4] of BC's 20 different manufacturing industries consistently account for at least five percent of total value added in this industry. All but one (metal fabricating) of them involve

[4] Machinery and computer manufacturing have at times accounted for more than 5% of total GDP in manufacturing, but their share of total GDP has been declining.

processing raw materials. Secondary manufacturing activities (e.g., manufacturing machinery or computer equipment) are becoming more important, but are still small when compared to the more traditional resource-based manufacturing industries.

Forest products dominate BC's manufacturing sector

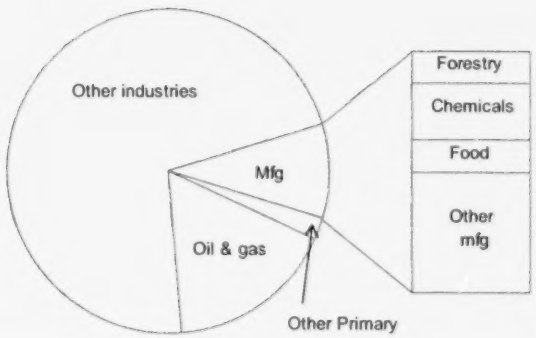


British Columbia, GDP at basic prices (2002)

The dominance of forest products in BC's manufacturing sector leaves the province very exposed to changes in external markets, as prices for BC forest products are frequently set in international markets. At the same time, the US is by far the biggest international market for our forest products, leaving the BC forest sector particularly vulnerable to the effects of exchange rate fluctuations and trade disputes with the US.

Alberta's economy is even more exposed to changing world conditions and markets for resource products. Oil and gas extraction (including exploration and related activities) accounts for about 17% of Alberta's total GDP (in real terms). This means that the Alberta economy is not only highly susceptible to changes in internationally-set prices, which can fluctuate in response to political decisions taken by the OPEC cartel, but are also subject to changes in government policy. For example, the National Energy Program in the 1980s played havoc with Alberta's economy.

Manufacturing is more diversified in Alberta



Alberta, Real GDP at basic prices (2002)

...however, Alberta's manufacturing sector is more diverse than BC's

Manufacturing activities in Alberta account for about 9% of that province's GDP. However, Alberta's manufacturing sector is more diverse, and thus less reliant on a single resource commodity than BC's. The chemical industry, which dominates manufacturing in Alberta, accounts for about a quarter of total GDP in manufacturing, considerably less than the forest sector's 45% share of BC's manufacturing industry. In addition, although petrochemicals play a key role, Alberta's chemical industry does not exclusively rely on the use of petroleum resources as a primary input. Food processing accounts for about 14% of manufacturing GDP in Alberta, while the production of metallic and non-metallic mineral products contributes a slightly higher (17%) amount to total manufacturing

output. At the same time, forest products, both wood and paper, are important players in the Alberta manufacturing sector. As a result, the dependence on natural resource supplies, and vulnerability to changing world markets, is spread over a wider range of products. This provides a bit of a cushion for the Alberta economy, since the manufacturing sector is not as dependent on the use of a single resource.

In Alberta, six industries consistently generate at least five percent of total GDP in the manufacturing sector, and many of them generate about ten percent of the total, including at least two industries that would be classified as secondary manufacturers.

Different challenges, different approaches

One key difference between the two economies lies in the nature of the natural resource commodity on which they are most dependent. The challenges faced by BC producers seeking access to forest resources are not the same as those facing producers of oil and gas.

Forests are not difficult to find, although it may be difficult to harvest them, and to ensure that the resource is protected for future generations. However, petroleum and gas products are non-renewable resources that are not always easy to locate. The only way to ensure an adequate supply is by actively pursuing a costly program of exploration and development. The limits of this activity are constantly being expanded as engineers and knowledge-based workers devise new ways to test for the existence of, and then extract, this valuable resource.

Furthermore, the demand for fuel, the main product of the oil and gas industry, is less likely to fluctuate with changing economic conditions than is the demand for a product such as wood. During economic downturns, consumers and businesses may put their construction plans on hold, but as long as people depend primarily on fossil fuels to power vehicles, heat their homes, and run their machinery, they will have to buy these products.

The oil and gas sector has benefited Alberta's economy in more ways than one, as it has spawned a number of knowledge-intensive industries that have emerged in order to meet some of the challenges involved in searching for and extracting oil and gas reserves. The benefits to the Alberta economy from the ongoing development of its oil and gas sector have been enormous, and would probably not have been realized if the economy had been endowed with another type of resource that was less technically challenging to exploit.

A different economic and social environment has contributed to Alberta's stronger performance

Alberta's stronger growth during the last decade or so can not be entirely attributed to arbitrary factors such as its rich resource endowment. Other conditions have also played a key role in the province's economic growth during the last decade.

For most of the 1990s, BC's labour, economic and regulatory environment was viewed by many in the private sector as being less friendly to business than was Alberta's. This slowed the flow of investment into the province at a time when external forces were dampening growth prospects in traditional industries such as forestry.

Additionally, much of the exploration and development activity that helped boost Alberta's economy would not have occurred in a regime of lower oil prices. Many of the new reserves that are coming on-stream would not have been economically feasible under lower-price conditions.

Alberta's energy producers benefited from rising prices at a time when BC producers of forest products faced tumbling prices and a drop in the demand for their products on international markets, plus the challenge of an ongoing trade

dispute with the US. Resolution of the softwood lumber issue would do much to restore confidence in the forest sector and could help boost future growth in this industry.

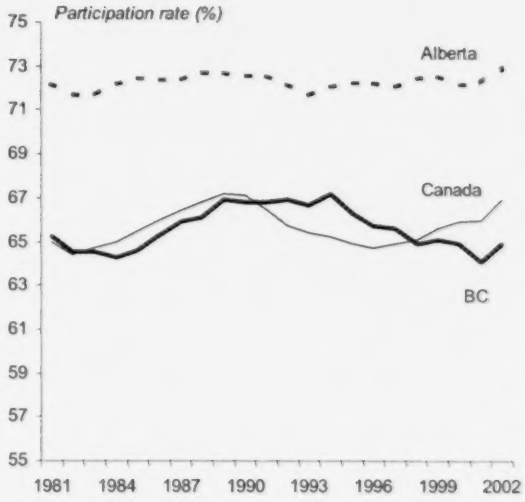
Alberta's economy is more business-sector oriented than is British Columbia's. Health care[5], education and government services account for a substantially larger share of BC's economy (17%) than of Alberta's (12%). Relative to the size of its population, health care (including both private and publicly provided services) is a bigger industry in BC than in Alberta, while both provinces produce similar levels of education services.

Albertans appear to have a stronger attachment to the labour force

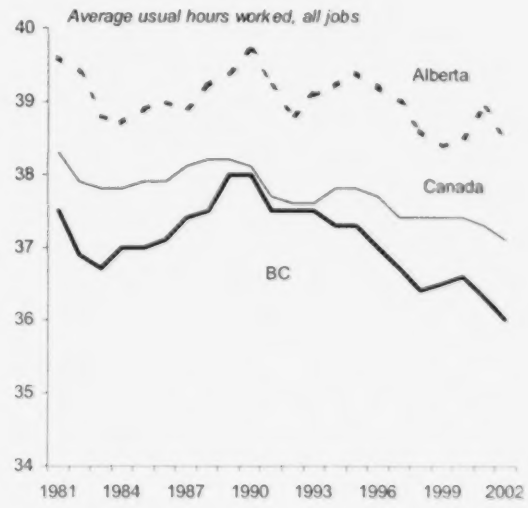
Government cannot make an economy grow; it can only provide the conditions that help foster economic growth, and over some of those conditions it has little control. One such condition is the pool of labour available to businesses.

Albertans as a whole stand out from other Canadians in many respects. They tend to have a greater attachment to the labour force than their counterparts in the rest of the country, even when factors such as differences in the age structure of the population[6] are taken into account. Alberta has long had the highest labour-force participation rate in the country–the percentage of the working-age population that is either working or looking for work.

Working-age Albertans are more likely to be in the labour force...



...and spend more time on the job



Most of those people are able to find jobs: the province's unemployment rate is usually one of the lowest in the country, even during periods of economic slowdown. By comparison, British Columbia's labour force participation rate has

[5] It should be noted that some health and education services are, in fact, provided by the business sector, but it is not possible to split these out at the present time.

[6] The participation rate in Alberta remains higher than the national average, and higher than in BC even when the population figure is adjusted to exclude those aged 65 and over.

fallen below the national average, and the province usually has the highest unemployment rate west of Quebec.

Residents of Alberta spend more time at work than do most other Canadians (averaging nearly 39 hours on the job each week in 2002). BC, on the other hand, has traditionally had the shortest average work week (36 hours) in the country. Despite this, weekly earnings in British Columbia are the third highest in the country, after Ontario and Alberta. Labour productivity in Alberta is higher than in other provinces, although this may be related to the greater capital intensity in that province.

Examining the reasons for the difference in behaviour in Alberta and BC is beyond the scope of this paper, but there can be little doubt that these characteristics have contributed to Alberta's stronger economic performance.

Looking ahead...what does it all mean?

There are no quick or easy ways to boost British Columbia's economic performance, or push the province to the head of the pack. BC currently does not have the reserves of oil and gas that have stimulated growth in Alberta, although there are some resources that may yet be tapped. Nor can the structure of the economy, or the path of economic development, be shifted simply by policy decisions. However, there are some lessons to be learned from the Alberta experience. Greater diversification of the manufacturing sector would help insulate the goods industries from the ups and downs of world markets for forest products. A vibrant and growing business sector, prepared to invest in infrastructure that will enhance the province's capacity to produce, will help foster growth. And pursuing a better understanding of what makes British Columbians and Albertans tick may help solve the puzzle of why we (and most other Canadians) don't seem to have as strong an attachment to the labour force as our neighbours to the east.

Infoline

November 28, 2003

fax transmission information service from **BC STATS**

Email transmission information service from **BC STATS**

also on the **Internet** at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/03	% change on one year ago
BC	4,146.6	0.8
Canada	31,629.7	0.9
GDP and INCOME		
(BC - at market prices)	2002	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	135,552	2.7
GDP *($ 1997 millions)*	128,151	2.4
GDP *($ 1997 per Capita)*	31,143	1.5
Personal Disposable Income *($ 1997 per Capita)*	19,576	0.1
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep	2,903	2.5
Merchandise Exports - Sep	2,558	1.3
Retail Sales - Sep	3,395	-2.2
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Oct '03	% change
BC	120.6	2.5
Canada	122.4	3.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Oct '03	prev. month
Labour Force - BC	2,222	0.1
Employed - BC	2,048	1.5
Unemployed - BC	173	-13.7
		Sep '03
Unemployment Rate - BC *(percent)*	7.8	9.1
Unemployment Rate - Canada *(percent)*	7.6	8.0
INTEREST RATES (percent)	Nov 26/03	Nov 27/02
Prime Business Rate	4.50	4.50
Conventional Mortgages - 1 year	4.75	4.90
- 5 year	6.50	6.70
US/CANADA EXCHANGE RATE	Nov 26/03	Nov 27/02
(avg. noon spot rate) Cdn $	1.3043	1.5747
US $ *(reciprocal of the closing rate)*	0.7668	0.6358
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Oct '03	one year ago
BC	683.06	1.7
Canada	668.63	2.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

2001 Census Profiles

We have started the roll-out of our area profiles based on the 2001 Census. Check them out at

www.bcstats.gov.bc.ca/data/cen01/c01index.htm

Each 18-page profile, in PDF format, reveals just about all you can know about an area. Three pages of charts compare the area's makeup to that of the province (or country in the case of our provincial profiles). These are followed by data tables showing both local values and percentage distributions. A number of charts and tables feature data sorted according to the unique local experience.

Canada, the **provinces**, & **regional district** profiles are posted to our site now. We will post an additional 1400 areas as soon as we develop the look-up code and obtain the required storage capacity – coming soon are profiles for

- ✓ **Census Subdivisions**
- ✓ **Urban Areas & neighbourhoods**
- ✓ **Designated Places**

These additional files will be available in our WebStore for $5 each and will be included in our subscription site ($200/year).

This work is a bigger task than we realized. Our current estimate is that these files will be available around December 12. In the meantime we have updated our *Community Facts* series to include an expanded section based on the 2001 Census

Released this week by BC STATS

- Business Indicators, November 2003
- Current Statistics, November 2003
- Earnings & Employment Trends, October 2003

Next week

- Tourism Sector Monitor, August 2003

BC STATS, Ministry of Management Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca